Government of Saskatchewan

Financial Statement
2004-2005

Prairie West
Regional College

Saskatchewan Centennial 2005

106-01151/

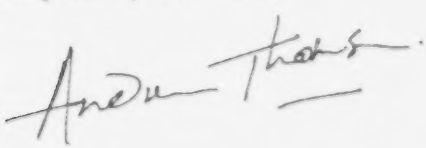
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Prairie West Regional College for the year ending June 30, 2005.

Respectfully submitted,



Andrew Thomson
Minister of Learning

PRAIRIE WEST REGIONAL COLLEGE

Auditor's Report

Financial Statements - June 30, 2005

Gilchrist & Co.

CERTIFIED MANAGEMENT ACCOUNTANTS

P. O. Box 1191 119 - 3rd Ave. West
Rosetown, Saskatchewan S0L 2V0

Tel (306) 882-2072
Fax (306) 882-2647
E-mail lejbak@shaw.ca

AUDITOR'S REPORT

To the Directors
Prairie West Regional College

We have audited the statement of financial position of Prairie West Regional College as at June 30, 2005 and the statements of operations, changes in net assets and cash flows for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Rosetown, Saskatchewan
September 15, 2005

Gilchrist & Co.
Certified Management Accountants

PRAIRIE WEST REGIONAL COLLEGE
Statement of Financial Position
as at June 30, 2005

Statement 1

	2005			2004
	Operating	Capital	Total	Total
Assets				
Current Assets				
Cash	$ 768,000	$ 682,203	$1,450,203	$1,290,573
Accounts receivable (note 3)	181,705	-	181,705	125,976
Prepaid expenses	91,008	-	91,008	37,992
	1,040,713	682,203	1,722,916	1,454,541
Non-current Assets				
Capital assets (note 4)	-	1,779,701	1,779,701	1,914,894
	$1,040,713	$2,461,904	$3,502,617	$3,369,435
Liabilities				
Current Liabilities				
Accrued salaries and benefits	$ 89,466	$ -	$ 89,466	$ 88,600
Accounts payable and accrued liabilities (note 5)	192,102	-	192,102	155,790
Unearned revenue (note 6)	568,160	145,000	713,160	623,236
	849,728	145,000	994,728	867,626
Net Assets				
Invested in capital assets	-	1,779,701	1,779,701	1,914,894
Externally restricted as reserves (note 7)	-	217,355	217,355	119,422
Internally restricted as reserves (note 7)	80,000	319,848	399,848	283,400
Unrestricted	110,985	-	110,985	184,093
	190,985	2,316,904	2,507,889	2,501,809
	$1,040,713	$2,461,904	$3,502,617	$3,369,435

See accompanying notes to financial statements.

On behalf of the Board

Ron Scott *Chairman*

PRAIRIE WEST REGIONAL COLLEGE
Statement of Operations
for the year ended June 30, 2005

Statement 2

	Operating			Capital			Totals		
	(Note 8) 2005 Budget	2005	2004	(Note 8) 2005 Budget	2005	2004	(Note 8) 2005 Budget	2005	2004
Revenues (Schedule 1)									
Provincial government	$2,768,221	$2,776,259	$2,635,790	$ 155,000	$ 169,762	$ 199,356	$2,923,221	$2,946,021	$2,835,146
Federal government	-	-	5,499	-	-	-	-	-	5,499
Other revenue	1,001,281	1,061,808	1,070,657	-	-	3,500	1,001,281	1,061,808	1,074,157
Total revenues	3,769,502	3,838,067	3,711,946	155,000	169,762	202,856	3,924,502	4,007,829	3,914,802
Expenses (Schedule 2)									
Agency contracts	803,351	762,981	804,655	-	-	-	803,351	762,981	804,655
Amortization	-	-	-	228,606	205,186	218,667	228,606	205,186	218,667
Equipment	103,057	92,675	81,652	-	-	-	103,057	92,675	81,652
Facilities	245,812	238,214	215,104	-	-	-	245,812	238,214	215,104
Information technology	68,581	61,270	46,727	-	-	-	68,581	61,270	46,727
Operating (schedule 3)	399,996	422,623	358,878	-	-	-	399,996	422,623	358,878
Personal services	2,137,715	2,218,800	2,100,733	-	-	-	2,137,715	2,218,800	2,100,733
Interest expense	-	-	-	-	-	3,575	-	-	3,575
Total expenses	3,758,512	3,796,563	3,607,749	228,606	205,186	222,242	3,987,118	4,001,749	3,829,991
Excess (deficiency) of revenues over expenses	$ 10,990	$ 41,504	$ 104,197	$ (73,606)	$ (35,424)	$ (19,386)	$ (62,616)	$ 6,080	$ 84,811

See accompanying notes to financial statements

PRAIRIE WEST REGIONAL COLLEGE
Statement of Changes in Net Assets
for the year ended June 30, 2005

Statement 3

	Capital			Operating		Totals	
	Invested in Capital Assets	Externally Restricted	Internally Restricted	Internally Restricted	Unrestricted	2005	2004
Net assets, beginning of year	$ 1,914,894	$ 119,422	$ 225,000	$ 58,400	$ 184,093	$ 2,501,809	$ 2,416,998
Excess (deficiency) of revenues over expenses	(35,424)	-	-	-	41,504	6,080	84,811
Appropriated to reserves	-	97,933	94,848	21,600	(214,381)	-	-
Interfund transfers (note 12)	(99,769)	-	-	-	99,769	-	-
Net assets, end of year	$ 1,779,701	$ 217,355	$ 319,848	$ 80,000	$ 110,985	$ 2,507,889	$ 2,501,809

Restricted details (note 7)	Beginning Balance	Appropriations to Net Assets	Appropriations from Net Assets	Ending Balance
Externally restricted - capital				
Warman facility reserve	$ 119,422	$ 130,000	$ 32,067	$ 217,355
Internally restricted - capital				
2005-06 information technology plan reserve	$ -	$ 134,848	$ -	$ 134,848
Building maintenance reserve	50,000	-	-	50,000
Warman facility reserve	175,000	-	40,000	135,000
	225,000	134,848	40,000	319,848
Internally restricted - operating				
Contract instructor reserve	23,400	-	23,400	-
Learning centre expansion	35,000	-	-	35,000
Succession planning	-	45,000	-	45,000
	58,400	45,000	23,400	80,000
Total internally restrict	$ 283,400	$ 179,848	$ 63,400	$ 399,848

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Statement of Cash Flows
for the year ended June 30, 2005

Statement 4

	2005	2004
Cash flows from operating activities		
Excess of revenues over expenses	$ 6,080	$ 84,811
Amortization of capital assets	205,186	218,667
	211,266	303,478
Changes in non-cash working capital		
(Increase) in accounts receivable	(55,729)	(2,553)
(Increase) in prepaid expenses	(53,016)	(15,415)
Increase (decrease) in accrued salaries and benefits	866	(525)
Increase in accounts payable and accrued liabilities	36,312	107,847
Increase in unearned revenue	89,924	1,855
(Decrease) in current portion of long-term debt	-	(22,924)
Cash provided from operating activities	229,623	371,763
Cash flows from investing activities		
Purchase of capital assets	(69,993)	(130,622)
Cash used in investing activities	(69,993)	(130,622)
Cash flows from financing activities		
Repayment of long-term debt	-	(227,076)
Cash used in financing activities	-	(227,076)
Net increase in cash	159,630	14,065
Cash, beginning of the year	1,290,573	1,276,508
Cash, end of the year	$ 1,450,203	$ 1,290,573

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Notes to the Financial Statements
for the year ended June 30, 2005

1. Purpose and Authority

Prairie West Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocational training to meet the needs of regional constituents and industry. Prairie West Regional College is exempt from the payment of income tax.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

a) **Fund Accounting**

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives:

i) Operating Fund

The operating fund accounts for the College's program delivery, service and administrative activities.

ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College. The capital fund also includes contributions, interest and donations designed for capital purposes by the contributor. Also included in the capital fund are the appropriations for future capital expenditures.

b) **Revenue Recognition**

The College follows the restricted fund method of accounting for grants. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

c) **Capital Assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Capital assets costing under the asset threshold are expensed in the current year.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows and amortization is reported as an expense in the capital fund:

Buildings	20 years
Office furniture	10 years
Office equipment	5 years
Machinery	5 years
Computer equipment	3 years
Leasehold improvement	Term of the lease
System development	5 years

d) Cash

Cash is represented by cash on hand and balances with banks.

3. Accounts Receivable

Accounts receivable are composed of the following:

	2005	2004
Saskatchewan Learning	$ 41,101	$ 45,004
Province of Saskatchewan - other	1,644	12,025
Regional Colleges	841	490
S.I.A.S.T.	3,985	4,811
Federal government	20,175	19,565
Other	113,959	44,081
	$ 181,705	$ 125,976

4. Capital Assets

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$1,998,798	$ 440,484	$1,558,314	$1,658,254
Land	38,550	-	38,550	38,550
Leasehold improvements	142,164	61,712	80,452	68,482
Furniture	132,342	73,439	58,903	67,138
Office equipment	44,884	38,861	6,023	12,334
Computer equipment	327,949	296,481	31,468	55,055
Machinery	9,986	3,995	5,991	7,989
Student information system	35,457	35,457	-	7,092
	$2,730,130	$ 950,429	$1,779,701	$1,914,894

5. Accounts Payable and Accrued Liabilities

Accounts payable are composed of the following:

	2005	2004
Province of Saskatchewan - other	$ 30,223	$ 30,592
Regional Colleges	794	1,361
S.I.A.S.T.	2,842	8,195
Federal government	46,300	39,696
Other	111,943	75,946
	$ 192,102	$ 155,790

6. Unearned Revenue

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2005	2004
Saskatchewan Learning	$ 662,980	$ 597,520
Other	50,180	25,716
	$ 713,160	$ 623,236

7. Restrictions on Net Assets

As at June 30, 2005, the College has received $ 249,422 of capital revenue from Saskatchewan Learning toward the construction of a building at the Warman campus. In the 2005 year, the College received $ 130,000 and $ 119,422 in the 2004 year. During the year, the College incurred $ 32,067 of capital expenditures toward construction of the building. It is anticipated the College will require the remaining funds by November, 2006 which is the anticipated completion date for the new facility.

The Board of Directors of Prairie West Regional College has placed internal restrictions on $319,848 in capital related projects and $ 80,000 for operating related initiatives (2004 - $ 225,000 in capital related projects and $ 58,400 for operating related initiatives) as detailed on Statement 3. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

8. Budget Amounts

The budget amounts on these financial statements were prepared by Regional College management and approved by the Board on May 19, 2004. The Minister approved the budget on June 24, 2004.

9. Related Party Transactions

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

The College brokered the following course sessions during the year:

	2005	2004
S.I.A.S.T.	$ 375,376	$ 389,116

Payments to (from) other related parties include:

	2005	2004
Saskatchewan Regional Colleges expenses	$ 47,361	$ 3,855
Saskatchewan Municipal Employees' pension	69,221	65,535
SaskTel expenses	33,195	39,657
Saskatchewan Workers' Compensation Board	8,186	8,339
Regional Health Authorities	-	(158)
SaskPower expenses	19,012	16,059
SaskEnergy expenses	16,491	16,538
	$ 193,466	$ 149,825

The College receives long distance telephone service between major centres from SaskTel, a related party, at reduced rates available to government agencies.

On November 18, 2002, the College entered into a loan agreement with the Education Infrastructure Financing Corporation and Saskatchewan Learning. The College received $ 215,000 which is to be repaid over 10 years at 6% interest. Subject to annual appropriations, Saskatchewan Learning has agreed to service the loan payments. The $ 215,000 proceeds was recorded as capital revenue in 2002. Effective September 15, 2005, the Board of Revenue Commissioners of the Province authorized the cancellation of this debt subject to the termination of all remaining rights, liabilities and obligations of the parties under the loan agreement. On January 28, 2005, all remaining rights, liabilities and obligations under the loan agreement were terminated.

10. Financial Instruments

The College's significant financial instruments consist of accounts receivable, accounts payable and accrued benefits.

a) The carrying amount of cash, accounts receivable, accounts payable and accrued benefits approximates fair value due to the short-term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing or certainty of future cash flows.

b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's accounts receivable is from the provincial and federal government, therefore, credit risk is minimal.

11. Employee Future Benefits

Employees of the College participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission. No matching contribution is made by the College nor does it have a financial obligation to the TSP. All other employees participate through the Municipal Employees Pension Plan (MEPP), which is a multi-employer defined benefit plan.

The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for 2005 was $ 69,221 (2004 - $ 65,535).

12. Interfund Transfers

In 2005, the Board transferred $ 99,769 from the Capital Fund to the Operating Fund to offset withdrawals for capital expenditures. In 2004, the Board transferred $ 68,659 from the Capital Fund to the Operating Fund to offset withdrawals for capital expenditures.

13. Comparative Information

Certain 2004 balances have been reclassified to conform with the current year's presentation.

Schedule 1

Prairie West Regional College
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2005

	2005								2005	(Note 8) 2005 Budget	2004
	General	Skills Training		Basic Education		University	Services				
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	Total	Total	Total
Provincial Government											
Saskatchewan Learning											
Admin recovery grant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating grant	1,226,534	-	-	-	-	16,974	20,967	132,299	**1,396,774**	1,392,353	1,379,521
Program payments	25,713	834,041	-	235,798	2,855	-	13,013	50,000	**1,161,420**	1,221,151	975,788
Contracts	-	-	-	-	5,000	-	-	-	**5,000**	5,000	5,000
Other	8,844	-	-	440	-	-	154,601	8,544	**172,429**	139,508	251,678
	1,261,091	834,041	-	236,238	7,855	16,974	188,581	190,843	**2,735,623**	2,758,012	2,611,987
Other Provincial	9,358	25,638	-	-	4,240	-	1,400	-	**40,636**	10,209	23,803
	1,270,449	859,679	-	236,238	12,095	16,974	189,981	190,843	**2,776,259**	2,768,221	2,635,790
Federal Government											
Admin recovery	-	-	-	-	-	-	-	-	-	-	-
Program payments	-	-	-	-	-	-	-	-	-	-	-
Contracts	-	-	-	-	-	-	-	-	-	-	5,499
Other	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	5,499
Other Revenue											
Admin recovery	-	-	-	-	-	-	-	-	-	-	-
Contracts	-	24,918	1,421	52,349	-	-	-	-	**78,688**	66,503	130,683
Interest	37,451	-	-	-	-	-	-	-	**37,451**	31,150	38,135
Rents	7,440	30	-	-	-	-	-	-	**7,470**	5,700	7,257
Resale items	273	53,344	4,088	1,350	-	-	-	-	**59,055**	62,615	51,034
Tuitions	-	781,279	61,612	-	-	-	-	-	**842,891**	818,100	803,525
Other	21,986	308	750	-	1,798	-	11,396	15	**36,253**	17,213	40,023
	67,150	859,879	67,871	53,699	1,798	-	11,396	15	**1,061,808**	1,001,281	1,070,657
Total revenue	1,337,599	1,719,558	67,871	289,937	13,893	16,974	201,377	190,858	**3,838,067**	3,769,502	3,711,946
Total operating expenses (schedule 2)	1,888,977	1,296,715	45,831	198,077	12,015	-	166,488	188,460	**3,796,563**	3,758,512	3,607,749
Excess (deficiency) of revenues over expenses	$ (551,378)	$ 422,843	$ 22,040	$ 91,860	$ 1,878	$ 16,974	$ 34,889	$ 2,398	**$ 41,504**	$ 10,990	$ 104,197

See accompanying notes to financial statements

Prairie West Regional College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2005

	2005									2005	(Note 8) 2005 Budget	2004
	General	Skills Training		Basic Education		University	Services					
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel		**Total**	Total	Total
Agency contracts	$ -	$ 745,026	$ 13,418	$ 1,837	$ -	$ -	$ -	$ 2,700		**$ 762,981**	$ 803,351	$ 804,655
Equipment	80,493	3,954	295	955	-	-	6,978	-		**92,675**	103,057	81,652
Facilities	112,792	94,580	3,543	12,421	200	-	14,678	-		**238,214**	245,812	215,104
Information technology	51,617	1,436	788	35	-	-	6,853	541		**61,270**	68,581	46,727
Operating (Schedule 3)	254,789	122,887	10,962	8,481	6,261	-	14,254	4,989		**422,623**	399,996	358,878
Personal services	1,389,286	328,832	16,825	174,348	5,554	-	123,725	180,230		**2,218,800**	2,137,715	2,100,733
	$ 1,888,977	$ 1,296,715	$ 45,831	$ 198,077	$ 12,015	$ -	$ 166,488	$ 188,460		**$ 3,796,563**	$ 3,758,512	$ 3,607,749
			$ 1,342,546		$ 210,092			$ 354,948				

See accompanying notes to financial statements.

PRAIRIE WEST REGIONAL COLLEGE
Schedule of Operating Fund Expenses
for the year ended June 30, 2005

Schedule 3

	Totals		
		(Note 8)	
	2005	2005 Budget	2004
Operating expenses			
Advertising	$ 44,013	$ 42,339	$ 25,712
Association fees and dues	9,644	7,420	7,273
Bad debts	2,431	200	5,528
Financial services	5,777	5,000	4,992
In-service	17,756	20,720	15,882
Insurance	15,561	15,000	13,893
Materials and supplies	65,535	66,200	55,773
Postage, freight and courier	18,434	17,560	17,092
Printing and duplicating	31,407	32,800	20,064
Professional services	16,659	24,909	31,646
Resale items	59,691	62,615	47,056
Subscriptions	1,651	2,432	2,414
Telephone and fax	43,069	47,458	34,246
Travel	63,656	42,365	61,698
Other	27,339	12,978	15,609
	$ 422,623	$ 399,996	$ 358,878

See accompanying notes to financial statements.

Prairie West Regional College
Personal Service Listing
for the year ended June 30, 2005
"Unaudited"

Listed are individuals (including unionized employees) who received $50,000 or more for salaries, wages, honorariums, and compensation for personal service. This listing will include: Gross salary + gross bonus + honorariums + compensation for personal service = Personal Service. (No travel reimbursements, transfers or other expenditures will be included).

Probert, Bruce	91,740
Box, Jay	74,464
Frerichs, Joyce	57,931
Ebenal, Elaine	57,931
Kreiter, Monica	57,931
Weinkauf, Wendy	54,392
Dubreuil, Doreen	54,008
Kohlman, Bonnie	53,895
Bothner, Gordon	53,665
Legare, Michelle	53,065
Total	**$ 609,022**

Prairie West Regional College
Supplier Payment Listing
for the year ended June 30, 2005
"Unaudited"

Listed are payees who received $50,000 or more for the provision of goods and services, including office supplies, communications, contracts, and equipment.

SIAST - Kelsey Campus	293,650
Receiver General of Canada	112,777
Saskatchewan Blue Cross	78,981
Municipal Employees' Pension Plan	69,221
SIAST - Woodland Campus	61,447
Prairie Driver Training Service	58,227
Total	**674,303**